

Direct Testimony
of
Mark Maple
Senior Gas Engineer
Engineering Department
Energy Division
Illinois Commerce Commission

CenterPoint Energy – Illinois Gas Transmission Company

Docket No. 09-0054

May 14, 2009

1 Q. Please state your name and business address.

2 A. My name is Mark Maple and my business address is Illinois Commerce
3 Commission, 527 East Capitol Avenue, Springfield, Illinois 62701.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by the Illinois Commerce Commission ("Commission") as a
6 Senior Gas Engineer in the Engineering Department of the Energy
7 Division.

8 Q. Please state your educational background.

9 A. I hold a Bachelor of Science degree in Mechanical Engineering and a
10 minor in Mathematics from Southern Illinois University - Carbondale. I
11 also received a Master's degree in Business Administration from the
12 University of Illinois at Springfield. Finally, I am a registered Professional
13 Engineer Intern in the State of Illinois.

14 Q. What are your duties and responsibilities as a Senior Gas Engineer in the
15 Engineering Department?

16 A. My primary responsibilities and duties are in the performance of studies
17 and analyses dealing with the day-to-day and long-term operations and
18 planning of the gas utilities serving Illinois. For example, I review
19 purchased gas adjustment clause reconciliations, rate base additions,
20 levels of natural gas used for working capital, and utilities' applications for
21 Certificates of Public Convenience and Necessity. I also perform utility
22 gas meter test shop audits.

23 Q. What is the purpose of this proceeding?

24 A. CenterPoint Energy – Illinois Gas Transmission Company (“Petitioner,”
25 “IGTC” or “Company”) has requested that the Commission grant it a
26 certificate in good standing pursuant to Section 15-401 of the Illinois
27 Public Utilities Act (the “Act”) authorizing the Company to construct and
28 operate a new 2.2 mile natural gas pipeline. IGTC has also requested
29 that the Commission authorize and direct IGTC to construct the new 2.2
30 mile pipeline pursuant to Section 8-503 of the Act. Additionally, IGTC has
31 requested that the Commission grant it authority to exercise the power of
32 eminent domain to acquire permanent easements of 40 feet in width, as
33 well as temporary construction workspace easements, pursuant to
34 Section 8-509 of the Act associated with proposed 2.2 mile section of
35 pipeline, to the extent it is necessary. Finally, IGTC has requested that
36 the Commission grant it authority to abandon a portion of a natural gas

pipeline currently in place, pursuant to Section 8-508 of the Act, to the extent that Section 8-508 applies in this instance. (IGTC Second Amended Petition, p. 1)

Q. Are you making any recommendations at this time?

A. Yes, I recommend that the Commission grant the relief requested by IGTC.

Description of Pipelines

Q. Please describe the existing pipeline that IGTC is proposing to abandon.

A. IGTC is proposing to abandon a 55 mile segment of its pipeline that is part of the larger 73 mile-long IGTC system. The pipeline, which runs from Patoka, Illinois to Madison County, Illinois is 10 inches in diameter and was installed during the 1940s to transport oil. The pipeline has since been converted to transport natural gas and is no longer used to move oil. IGTC uses this pipeline to move natural gas from a major transmission pipeline owned by Natural Gas Pipeline Company ("NGPL") onto its own system to serve customers in the St. Louis metro area. According to IGTC, this 55 mile segment has deteriorated and now needs to be replaced or abandoned. (IGTC Second Amended Petition, p. 2)

Q. Describe the pipeline that IGTC proposes to construct.

A. IGTC is proposing to construct a 2.2 mile pipeline near Glen Carbon, Illinois. The pipeline will be 10 inches in diameter and will transport natural gas. This pipeline will replace the 55 mile segment of pipe that IGTC proposes to abandon, since it meets the NGPL pipeline in a new, closer location. (*Id.*, p. 3) A more detailed description of both the existing pipeline and the proposed pipeline can be found in IGTC's Second Amended Petition and the Direct Testimony of Robert A. Trost.

Common Carrier Certificate Requirements

Q. What are the Commission's requirements to obtain a certificate in good standing to operate as a common carrier?

A. Section 15-401(b) of the Act states:

The Commission, after a hearing, shall grant an application for a certificate authorizing operations as a common carrier by pipeline, in whole or in part, to the extent that it finds that the application was properly filed; a public need for the service exists; the applicant is fit, willing, and able to provide the service in compliance with this Act, Commission regulations, and orders; and the public convenience and necessity requires issuance of the certificate. (220 ILCS 5/15-401(b))

Properly Filed

Q. Was the Petitioner's application properly filed?

A. Yes. On January 23, 2009, IGTC filed a petition asking for relief under the provisions of Sections 8-406, 8-503, 8-508, and 8-509 of the Act. Staff expressed concern that IGTC's request for relief under Section 8-406 was inappropriate in this docket. Furthermore, Staff believed that the Company should also ask for relief under Section 15-401 of the Act. IGTC agreed to make the recommended changes, and thus filed an amended petition on February 20, 2009, removing the request pertaining to Section 8-406 of the Act and asking for relief under Section 15-401 of the Act in addition to the other relief previously requested. Then on May 5, 2009, IGTC filed its Second Amended Petition, removing its original request pertaining to Section 8-508 of the Act and now asking for such relief only to the extent necessary and appropriate, in addition to the other relief previously requested.

In addition to the petition, IGTC witness Robert A. Trost filed direct testimony on February 20, 2009 that supported the Company's petition. It is my opinion that IGTC has properly filed its application.

94 **Public Need**

95 Q. Did you find that IGTC demonstrated a public need for the new pipeline?

96 A. Yes. IGTC has shown that there are currently two large customers who
97 purchase capacity on the existing pipeline. I believe that despite there
98 being only two current customers, the nature and operations of those
99 customers meets the criteria for demonstrating public need.

100 Q. Who are the current customers on the IGTC pipeline?

101 A. According to IGTC's response to Staff data request ENG 1.14, there are
102 currently two customers purchasing capacity on the existing pipeline. The
103 first customer, WRB Refining, operates a large-scale oil refinery in
104 Roxana, Illinois. The other customer, Laclede Energy Resources, is a
105 marketing company that provides various services to commercial and
106 industrial natural gas transportation customers.

107 Q. Will there continue to be a demand for capacity on IGTC's system in the
108 future?

109 A. Yes. According to IGTC's response to Staff data request ENG 1.14, WRB
110 Refining is under contract until 2016 and Laclede Energy Resources is
111 under contract until 2013. Additionally, IGTC stated in response to Staff

112 data request ENG 1.16 that it is negotiating transportation contracts with
113 additional shippers.

114 I also spoke with Kent Peccola, the Process Design Director at WRB
115 Refining (the “refinery”), and confirmed that the refinery does currently use
116 gas from IGTC’s pipeline and anticipates an ongoing need for this service.
117 The refinery is expanding its operations over the next few years, and will
118 likely have a stable, if not increased, demand for natural gas in the future.

119 Q. Are there any benefits to Illinois residents from the new pipeline
120 construction?

121 A. Yes. The main benefits would be secondhand benefits derived from the
122 current customers having continued access to adequate natural gas
123 supplies. In particular, the refinery makes products such as gasoline and
124 other fuels and chemicals which are used by virtually every Illinois citizen.
125 To the extent that IGTC’s pipeline is helping supply the refinery with
126 reliable and affordable natural gas supplies, it is benefitting Illinois citizens
127 as a whole.

128 Additionally, the pipeline would create a few temporary local jobs for the
129 duration of the construction process, according to IGTC’s response to
130 Staff data request ENG 1.24. However, it is unlikely that the construction

131 of the new pipeline will result in any permanent economic benefits to the
132 local economy.

133 **Fit, Willing, and Able**

134 Q. Is the Petitioner fit, willing, and able to construct and operate the proposed
135 pipeline?

136 A. Yes. The Company has been operating the existing pipeline for about ten
137 years. According to its response to Staff data request ENG 1.26, IGTC
138 has not experienced any serious incidents on the existing pipeline since it
139 has been the operator. Additionally, the new pipeline will transport the
140 same product as the existing pipeline and will be much shorter, thus
141 requiring less time and expense to inspect and maintain. I know of no
142 reason why the Company would be unfit, unwilling, or unable to construct
143 and operate the proposed pipeline.

144 Q. Did other Staff look into the financial strength of IGTC to verify that it is
145 indeed able to build and operate the pipeline?

146 A. Yes. Sheena Kight-Garlich is testifying for Staff on that issue (ICC Staff
147 Exhibit 2.0). To my knowledge, Ms. Kight-Garlich did not find anything
148 that would challenge the Company's assertion that it is financially fit to

149 construct and operate the pipeline.

150 Q. Are there any other government entities that have the authority to
151 determine IGTC's ability to construct and operate the pipeline?

152 A. Yes, before the pipeline is constructed, there are a number of federal,
153 State, and local permits that the Company must obtain. In response to
154 Staff data request ENG 1.12, IGTC lists two pages of governmental
155 bodies from which it will be seeking approval for this project. Further, the
156 project must meet the minimum pipeline safety construction and
157 maintenance standards contained in 49 CFR 192 and administered by the
158 United States Department of Transportation's Office of Pipeline Safety.

159 **Public Convenience and Necessity**

160 Q. Would the proposed pipeline provide any conveniences to the
161 Illinois public?

162 A. Yes. As noted earlier, IGTC has two large customers that it will
163 serve with the new pipeline, in addition to any other customers that
164 it might acquire. Those two customers, particularly the refinery,
165 serve the public at large, both with the product created and the jobs
166 sustained in the local economy. The public is also inconvenienced
167 by replacing a 55 mile long pipeline with a 2.2 mile long pipeline.

168 The shorter route will be safer to the public and easier for IGTC to
169 maintain and inspect.

170 Q. Did you review the proposed pipeline route?

171 A. Yes, on March 12, 2009, I met with IGTC employees Dale
172 Anderson, John Watson, and Mike Miller to discuss the route
173 selection for the proposed pipeline. We viewed maps showing the
174 aerial view of the entire proposed route, as well as alternative
175 routes and potential obstacles. We also viewed aerial maps of the
176 existing pipeline. Mr. Anderson and I then physically inspected a
177 large portion of the proposed route for the new pipeline and also a
178 few portions of the existing pipeline.

179 Q. Did you see any problems with IGTC's proposed route?

180 A. No. Given the proximity of the new pipeline to a major roadway
181 and the relatively short distance that it traverses, IGTC has a
182 limited number of feasible routes. My review indicates that the
183 chosen route is the shortest, most logical pathway given the
184 constraints posed by roads, structures, and other obstacles. A
185 good portion of the route passes through undeveloped farmland,
186 which minimizes the impact on local homeowners and businesses.

187 IGTC has stated that it has been in contact with local landowners
188 and has taken their concerns into consideration when developing
189 the proposed route. IGTC has further stated that when it is an
190 option, the pipeline follows along side the right of way of other
191 existing utility easements. I do not see any problems in the route
192 that IGTC has selected.

193 Q. Are there any other routes that would be better for this project?

194 A. In my opinion, IGTC selected a route that minimizes the impact to
195 surrounding landowners. However, I have not had any formal
196 conversations with any of the landowners to determine whether
197 there would be an alternative route that would further lessen the
198 impact to the stakeholders or if the Company overlooked a
199 significant obstacle. If an alternative route is proposed by an
200 intervenor in this docket, I will study that route to see if it is more
201 suitable than IGTC's proposed route.

202 Q. Would you be willing to support a different route if the evidence
203 showed it was better than the Company's selected route?

204 A. Yes, but there would need to be some concrete evidence as to why
205 the alternative route is better than the proposed route. It is

understandable that certain people might not want the pipeline to cross their property. However, the “Not-In-My-Back-Yard” argument is not sufficient by itself, since that argument will likely exist for any alternate route.

Q. Do you consider IGTC’s interaction with landowners as a factor when evaluating public convenience?

A. Yes. IGTC is obligated to treat landowners in a fair manner when attempting to acquire easements. The public would be inconvenienced if IGTC failed to communicate adequately or make reasonable attempts to acquire the easements before pursuing eminent domain.

Q. Is the subject of a company’s interaction with landowners a normal concern for Staff in eminent domain proceedings?

A. Yes. As reflected in the Statement of Information from the Illinois Commerce Commission Concerning Acquisition of Rights of Way by Illinois Utilities, which is included in the Informational Packet sent to landowners, “[d]uring such hearing(s), the Commission determines, among other things, whether the utility had made a reasonable attempt to acquire the necessary land or land rights

225 through negotiation with the landowner” (83 Ill. Adm. Code 300,
226 Appendix A).

227 Q. In your opinion, has the IGTC made reasonable attempts to acquire
228 the necessary easements for the new pipeline project?

229 A. Yes. According to IGTC’s response and subsequent updates to
230 Staff data request ENG 1.35, IGTC has made multiple contacts
231 with each of the landowners along the proposed route. I am
232 unaware of any landowners who have complained that IGTC is
233 unwilling to make reasonable attempts to acquire easements.

234 Q. Is there anything that might change your opinion that IGTC has
235 made reasonable attempts to acquire the necessary easements?

236 A. Yes. While I currently believe IGTC has made reasonable attempts
237 to acquire the necessary easements, it is possible I could be made
238 aware of evidence that demonstrates otherwise. The negotiation
239 process is still ongoing, and some landowners have not yet
240 accepted monetary offers or negotiated legal rights. While I have
241 no reason to believe this will happen, IGTC could potentially treat
242 landowners poorly after I file this testimony. Intervenors could also
243 file testimony on the same day this testimony is filed, alleging that

244 IGTC has not made reasonable attempts to acquire the
245 easements. Therefore, I reserve the right to change my opinions
246 and recommendations based on any new evidence that may be
247 presented in this docket.

248 Q. Given your current knowledge regarding the case and IGTC's
249 interactions with the impacted landowners, should the Commission
250 grant a certificate in good standing authorizing IGTC to construct
251 and operate the pipeline in question?

252 A. Yes.

253 **Eminent Domain Requirements**

254 Q. What are the Commission requirements to obtain eminent domain
255 authority?

256 A. To obtain eminent domain, the utility must meet the criteria set
257 forth in 8-509 of the Act. Section 8-509 states, in part:

258 When necessary for the construction of any
259 alterations, additions, extensions or improvements
260 ordered or authorized under Section 8-503 or 12-218
261 of this Act, any public utility may enter upon, take or
262 damage private property in the manner provided for
263 by the law of eminent domain. (220 ILCS 5/8-509)
264

265 Q. What are the requirements set forth in Section 8-503 of the Act?

266 A. Section 8-503 states, in part:

267 Whenever the Commission, after a hearing, shall find
268 that additions, extensions, repairs or improvements
269 to, or changes in, the existing plant, equipment,
270 apparatus, facilities or other physical property of any
271 public utility or of any 2 or more public utilities are
272 necessary and ought reasonably to be made or that a
273 new structure or structures is or are necessary and
274 should be erected, to promote the security or
275 convenience of its employees or the public, or in any
276 other way to secure adequate service or facilities, the
277 Commission shall make and serve an order
278 authorizing or directing that such additions,
279 extensions, repairs, improvements or changes be
280 made, or such structure or structures be erected at
281 the location... (220 ILCS 5/8-503)

282 Q. Does the Petitioner meet these requirements?

283 A. Yes. As I discussed earlier in my testimony, there is a public need
284 for the new pipeline and the public will be inconvenienced by the
285 route that IGTC has chosen. Therefore, I believe that the
286 Petitioner has met the necessary requirements and the
287 Commission should grant IGTC the authority to exercise eminent
288 domain.

289 **Abandonment of Current Pipeline**

290 Q. Describe the land that the current 55 mile pipeline segment crosses.

291 A. Most of the pipeline traverses rural farmland and other undeveloped
292 areas. However, I personally viewed a portion of the pipeline that ran
293 through a residential subdivision near Glen Carbon, Illinois. In this area,
294 the pipeline was buried very close to dozens of houses, crossing under
295 driveways and through front lawns. The pipeline also crosses over a
296 small lake on a metal bridge-like structure built just for the pipeline.

297 Q. What is your opinion regarding IGTC's decision to abandon this pipeline
298 and build a new, shorter pipeline rather than replace it?

299 A. I believe that IGTC's decision is justified. It is much cheaper to build and
300 maintain a 2.2 mile pipeline than to maintain a 55 mile pipeline. Also, the
301 risk to the public and the environment from a leak, however small, is
302 reduced as the length of the pipeline is reduced. As for the landowners
303 who have the pipeline across their front lawns, they would almost certainly
304 incur property damage if IGTC were to remove and replace the existing
305 pipeline. Building a new pipeline in a more rural setting is more desirable
306 than replacing one in a populated subdivision.

307 Q. Does IGTC plan to remove the old pipeline or abandon it in place?

308 A. IGTC responded to Staff data request ENG 1.7 that it plans to remove all
309 above ground facilities and exposed portions of the pipeline. For all other
310 portions of the pipeline, my understanding is that the Company intends to
311 leave the pipeline in the ground, but will consider landowner requests for
312 removal on a case-by-case basis.

313 Q. Do you agree with the Company's decision to remove some portions of
314 the pipeline and abandon in place other portions of the pipeline?

315 A. I do agree with the Company's decision to remove all above ground
316 facilities, since they can be unsightly and can be a safety hazard to
317 anyone farming the land or traveling on the easement. I also agree that
318 for some properties where the pipeline is adequately buried, it would be in
319 the best interests of all parties to abandon it in place so as to not disturb
320 landscape, drain tiles, or other features valued by landowners.

321 My concern arises for the easements where the pipeline is not exposed,
322 but the landowner has concerns about it remaining in the ground. There
323 could be many reasons why a landowner might want the pipeline
324 removed, from a farmer worried about hitting the pipeline while plowing to
325 a homeowner being concerned about the pipeline collapsing from

326 corrosion and creating a hole in his yard. While IGTC has said it will work
327 with landowners who request that the Company remove the pipeline, there
328 is no guarantee that IGTC will honor any of these requests if it receives
329 Commission authority to operate the 2.2 mile section of replacement
330 pipeline. I urge IGTC to give careful consideration to every landowner
331 request and to accommodate them when feasible.

332 Q. In general, does the Commission have any authority over the
333 abandonment process for pipelines?

334 A. No, not in my non-legal opinion. Section 8-508 addresses the
335 abandonment process, but it does not apply to common carriers by
336 pipeline. I am also unaware of any other authority that the Commission
337 would have over this particular abandonment project. Therefore, I believe
338 the relief that IGTC seeks under Section 8-508 is unnecessary, as it does
339 not apply in this instance.

340 Q. Are there any other governmental bodies outside of the ICC that have
341 jurisdiction over IGTC's abandonment process?

342 A. Yes. The Company responded to Staff data request ENG 1.2 with a list of
343 seven entities that may potentially have jurisdiction over IGTC's pipeline
344 abandonment. Those entities are the U.S. Army Corp of Engineers, the

345 U.S. Fish and Wildlife Service, the U.S. Environmental Protection Agency,
346 the Advisory Council on Historic Preservation, the Illinois Historic
347 Preservation Agency, the Illinois Environmental Protection Agency –
348 Bureau of Air, and the Illinois Environmental Protection Agency – Bureau
349 of Water. In addition to the entities listed by IGTC, Staff believes that the
350 U.S. Department of Transportation’s Office of Pipeline Safety may also
351 have regulations that would govern this abandonment.

352 Q. Does this conclude your prepared direct testimony?

353 A. Yes, it does.